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New Color of Money Media Support

Editor's Note: Since publication of this document, the U.S. government issued a redesigned \$10 note in March 2006 and has modified its plans for future denominations. Please visit the Currency Redesign Timeline page for more information.

GOVERNMENT EDUCATION EFFORTS ON NEW CURRENCY BEGIN IN LAS VEGAS

Gaming and Banking Industry Employees Prepare for and Learn about The Security Features in The New Color of Money

Las Vegas – July 15, 2003 – Officials from the Federal Reserve System, the Bureau of Engraving and Printing and the U.S. Secret Service kicked-off a series of education seminars today for employees of the gaming and banking industries. These tutorials, the first of which was hosted by Harrah's Entertainment, are geared toward cash-handlers and security and surveillance employees with the objective of educating them about the updated security features of the redesigned \$20 note that will be issued this fall.

Given the large amounts of money handled across the country each day by large cash-handling locations, for example \$148¹ million in cash flows through Las Vegas daily, advanced counterfeit deterrence efforts on the part of the authorities have kept currency counterfeiting at low levels. Current estimates put the level of counterfeit notes in circulation worldwide at between 0.01 and 0.02 percent, or about 1-2 notes in every 10,000 genuine notes.

Factors that contribute to this high rate of success include aggressive law enforcement, advanced security and surveillance procedures, the use of sophisticated counterfeit detection equipment and routine education seminars that inform employees about currency security features.

¹ Figure derived from the Nevada Gaming Control Board (this number might include casino house credit "markers")

Because the improved security features are more effective if the public knows about them, the U.S. government is undertaking a broad public education program. This program will ensure that people all over the world know the new currency is coming, and help them recognize and use the security features.

“Las Vegas, where cash-handling is an integral part of the business, is the perfect place to highlight the government’s education outreach,” said Gary Loveman, CEO, Harrah’s Entertainment. “Las Vegas is smart when it comes to cash. We educate our employees regularly, and that’s a major factor in our success.”

“We want to make sure that anyone who relies on U.S. currency knows how to use the security features in their cash and that they continue to rely on its security and soundness, “ said Tom Ferguson, Director of The Bureau of Engraving and Printing. “*The New Color of Money* is safer because it is harder to fake and easier to check, smarter to stay ahead of tech-savvy counterfeiters, and more secure than ever. We are reaching out to cash-handling industries, such as the gaming and banking industries, because we want them to know about the improvements in our currency.”

Public Education

The government’s public education outreach efforts will include cash-handlers at casinos, banks, merchants and other businesses, industry associations and the media. With roughly two-thirds of all U.S. currency held outside the United States, the public education program will also extend worldwide. To learn more about the new currency and to download an image of the new \$20 design, the public can visit www.moneyfactory.com/newmoney.

“The security and soundness of U.S. currency relies on people and businesses knowing their money,” said Mark Mullinix, Executive Vice President and Cash Product Manager for the Federal Reserve System. “We feel the education campaign tied to the newly redesigned series-2004 currency will ensure that anyone who uses U.S. currency has the information they need to protect their hard-earned money.”

Counterfeiting: Increasingly Digital

To stay ahead of counterfeiters who are increasingly using more high-tech methods, the U.S. government plans on introducing new currency designs every 7-10 years to stay ahead of tech-savvy currency counterfeiters.

Counterfeiters are increasingly turning to digital methods, as advances in technology make digital counterfeiting of currency easier and cheaper. In 1995, for example, less than 1 percent of counterfeit notes detected in the U.S. was digitally produced. By 2002, that number had grown to nearly 40 percent, according to the U.S. Secret Service.

Yet despite the efforts of counterfeiters, U.S. currency counterfeiting has been kept at low levels, with current estimates putting the level of counterfeit notes in circulation worldwide at about 1-2 notes in every 10,000 genuine notes.

“Improvements in our currency’s security features as well as aggressive law enforcement and an informed public contribute to our success in keeping counterfeiting low,” said Doug Coombs, Special Agent-in-Charge of the United States Secret Service for Nevada. “We plan on staying ahead of currency counterfeiters by making regular updates to our currency, so that the public can continue to rely on the security of U.S. currency.”

Security Features

The new \$20 design retains three important security features that were first introduced in the late 1990s and are easy for consumers and merchants alike to check:

- *The watermark* – the faint image similar to the large portrait, which is part of the paper itself and is visible from both sides when held up to the light.
- *The security thread* – also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper. “USA TWENTY” and a small flag are visible along the thread.
- *The color-shifting ink* – the numeral “20” in the lower-right corner on the face of the note changes from copper to green when the note is tilted. The color shift is more dramatic and easier to see on the new-design notes.

Because these features are difficult for counterfeiters to reproduce well, they often do not try. Counterfeiters are hoping that cash-handlers and the public will not check their money closely.

The New Color of Money

The new \$20 note will be issued in the fall, with new designs for the \$50 and \$100 following in 2004 and 2005. Redesign of the \$5 and \$10 notes is under consideration, but the \$1 and \$2 notes will not be redesigned. Even after the new money is issued, older-design notes will remain legal tender. The \$20 was the first 2004-series note to be redesigned because it is the most commonly counterfeited note domestically.

The most noticeable difference in the notes is the subtle green, peach and blue colors featured in the background. Different colors will be used for different denominations, which will help everyone – particularly those who are visually impaired – to tell denominations apart.

While consumers should not use color to check the authenticity of their currency (relying instead on the user-friendly security features noted above), color does add complexity to the note, making counterfeiting more difficult.

The new bills will remain the same size and use the same, but enhanced portraits and historical images of Andrew Jackson on the face of the note and the White House on the back. The

redesign also features symbols of freedom – a blue eagle in the background, and a metallic green eagle and shield to the right of the portrait in the case of the \$20 note.

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